

**BOROUGH OF  
WEST WILDWOOD  
COUNTY OF CAPE MAY**



**REPORT OF AUDIT  
FOR THE YEAR ENDED  
December 31, 2016**



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**BOROUGH OF WEST WILDWOOD**

**PART I**

**REPORT OF AUDIT OF FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2016**





## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Board of Commissioners  
Borough of West Wildwood  
West Wildwood, New Jersey 08260

### **Report on the Financial Statements**

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



**Opinions**

*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

As described in note 1 to the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2016 and 2015, or the results of its operations and changes in fund balance for the years then ended.

*Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of December 31, 2016 and 2015, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2016, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2017 on our consideration of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of West Wildwood's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 20, 2017





**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Borough Board of Commissioners  
Borough of West Wildwood  
West Wildwood, New Jersey 08260

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Borough of West Wildwood, in the County of Cape May, State of New Jersey, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 20, 2017. That report indicated that the Borough of West Wildwood's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Borough of West Wildwood's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of West Wildwood's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of West Wildwood's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.





**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of West Wildwood's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 20, 2017



## BOROUGH OF WEST WILDWOOD

## CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis

As of December 31, 2016 and 2015

ASSETS:	Ref.	2016	2015
Regular Fund:			
Cash	SA-1	\$ 1,724,466.88	\$ 822,844.65
Change Fund	SA-3	100.00	100.00
Due from State of New Jersey -- Veterans' and Senior Citizens' Deductions	SA-4	4,625.00	4,125.00
		<u>1,729,191.88</u>	<u>827,069.65</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-5	128,756.35	127,186.50
Tax Title Liens Receivable	SA-6	130,405.89	106,354.36
Revenue Accounts Receivable	SA-7	1,201.33	2,138.66
Property Acquired for Taxes -- Assessed Valuation		108,298.49	108,298.49
Due from State of New Jersey -- Marriage and Domestic Partnership Licenses	SA-8	25.00	25.00
Due from Dog License Fund	SB-2	7.88	3.76
Due from Trust Other Fund	SB-5	8,701.54	8,516.52
		<u>377,396.48</u>	<u>352,523.29</u>
Deferred Charges:			
Special Emergency Authorizations (40A:4-53)	A-3	118,000.00	
		<u>118,000.00</u>	
Total Current Fund		<u>2,224,588.36</u>	<u>1,179,592.94</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	SA-17	36,810.00	79,310.00
Due from Current Fund	SA-18	128,306.96	108,043.15
Total Federal and State Grant Fund		<u>165,116.96</u>	<u>187,353.15</u>
Total Assets		<u>\$ 2,389,705.32</u>	<u>\$ 1,366,946.09</u>

(Continued)

**BOROUGH OF WEST WILDWOOD**

**CURRENT FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2016 and 2015

LIABILITIES, RESERVES AND FUND BALANCE:	Ref.	2016	2015
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3, SA-9	\$ 175,898.40	\$ 194,537.04
Reserve for Encumbrances	A-3, SA-9	29,966.02	12,484.35
Prepaid Taxes	SA-11	51,067.98	63,424.54
Reserve for Revaluation Program and Tax Maps	SA-10	81,298.75	
Tax Overpayments	SA-12	3,287.54	3,191.81
Due Local School Tax Payable	SA-15	616,172.50	1.00
Special Emergency Notes	SA-1	118,000.00	
Due to Wildwood Water Department	SA-16		30.00
Due to Federal and State Grant Fund	SA-18	128,306.96	108,043.15
Due to General Capital Fund	SC-5	298,885.83	19,406.75
Reserves for Receivables and Other Assets	A-1	377,396.48	352,523.29
Fund Balance		344,307.90	425,951.01
Total Current Fund		2,224,588.36	1,179,592.94
Federal and State Grant Fund:			
Reserve for Federal and State Grants --			
Unappropriated	SA-19		25,337.51
Reserve for Federal and State Grants --			
Appropriated	SA-20	165,116.96	162,015.64
Total Federal and State Grant Fund		165,116.96	187,353.15
Total Liabilities, Reserves and Fund Balance		\$ 2,389,705.32	\$ 1,366,946.09

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 414,000.00	\$ 520,000.00
Miscellaneous Revenues Anticipated	240,607.88	150,648.42
Receipts from Delinquent Taxes	124,540.34	212,051.47
Receipts from Current Taxes	3,376,551.90	3,396,199.91
Non-Budget Revenues	107,050.29	66,530.96
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	153,915.60	89,446.51
Cancellation of Reserves for Federal and State Grants		616,480.21
Cancellation of Accounts Payable		7,763.12
Liquidation of Reserve for:		
Due General Capital Fund		601.97
Due Dog License Fund		25.94
	<hr/>	<hr/>
Total Income	4,416,666.01	5,059,748.51
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	854,588.71	886,986.04
Other Expenses	1,050,350.00	828,527.00
Deferred Charges and Regulatory Expenditures Within "CAPS"	138,190.00	109,911.00
Operations Excluded from "CAPS":		
Other Expenses	103,805.00	73,521.59
Capital Improvements Excluded from "CAPS"		20,000.00
Municipal Debt Service Excluded from "CAPS"	250,628.43	155,925.00
Judgments -- Excluded from "CAPS"		90,000.00
County Taxes	566,901.76	598,992.50
County Added and Omitted Taxes	1,713.08	1,400.38
Local District School Tax	1,232,343.00	1,279,425.00
Refund Prior Revenue	1,850.00	870.00
Deductions Disallowed by Collector -- Prior Year Taxes	1,750.00	2,000.00
Cancellation of Federal and State Grants Receivable		590,593.68
Creation of Reserves for:		
Due Dog License Fund	4.12	
Due Trust Other Fund	185.02	66.52
	<hr/>	<hr/>
Total Expenditures	4,202,309.12	4,638,218.71
		(Continued)

**BOROUGH OF WEST WILDWOOD**

**CURRENT FUND**

Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2016 and 2015

	2016	2015
Excess in Revenue	\$ 214,356.89	\$ 421,529.80
Adjustments to Income before Fund Balance:		
Expenditures included above which are by Statute Deferred		
Charges to the Budget of the Succeeding Year	118,000.00	
Regulatory Excess to Fund Balance	332,356.89	421,529.80
Fund Balance		
Balance Jan. 1	425,951.01	524,421.21
Decreased by:		
Utilization as Anticipated Revenue	414,000.00	520,000.00
Balance December 31	\$ 344,307.90	\$ 425,951.01

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 414,000.00		\$ 414,000.00	
Miscellaneous Revenues:				
Local Revenues:				
Licenses:				
Alcoholic Beverages	800.00		1,020.00	\$ 220.00
Other	22,000.00		21,357.00	(643.00)
Interest and Costs on Taxes	32,000.00		27,677.15	(4,322.85)
Fire Prevention Revenue	6,450.00		6,356.00	(94.00)
State Aid Without Offsetting Appropriations:				
Energy Receipts Tax (P.L. 1997, Chapter 162 & 167)	40,531.00		40,531.00	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Public and Private Revenues Offset with Appropriations:				
Clean Communities Program		\$ 4,632.20	4,632.20	
Body Armor Replacement Fund		981.19	981.19	
Recycling Tonnage Grant		564.10	564.10	
Unappropriated Reserves:				
Urban Enterprise Zone - Administration	16,351.10		16,351.10	
Urban Enterprise Zone - Project	8,986.41		8,986.41	
Special Items of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services - Other Special Items:				
Settlement of Sale of Borough Land	21,500.00		21,500.00	
Reserve for Payment of Debt - General Capital Fund	90,651.73		90,651.73	
Total Miscellaneous Revenues	239,270.24	6,177.49	240,607.88	(4,839.85)
Receipts from Delinquent Taxes	145,000.00		124,540.34	(20,459.66)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	1,719,074.29		1,775,522.37	56,448.08
Budget Totals	2,517,344.53	6,177.49	2,554,670.59	31,148.57
Non-Budget Revenues			107,050.29	107,050.29
	<u>\$ 2,517,344.53</u>	<u>\$ 6,177.49</u>	<u>\$ 2,661,720.88</u>	<u>\$ 138,198.86</u>

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
**Statement of Revenues -- Regulatory Basis**  
**For the Year Ended December 31, 2016**

<u>Analysis of Realized Revenues</u>	
Allocation of Current Tax Collections:	
Revenue from Collections	
Allocated to:	
Schools and County Taxes	1,800,957.84
Balance for Support of Municipal Budget Appropriations	1,575,594.06
Add: Appropriation "Reserve for Uncollected Taxes"	199,928.31
Amount for Support of Municipal Budget Appropriations	\$ 1,775,522.37
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 124,540.34
Tax Title Liens	-
<u>Analysis of Non-Budget Revenues</u>	
Revenue Accounts Receivable:	
Cable Television Franchise Tax	\$ 6,525.57
Interest Earned on Deposits	
Current Fund	3,421.26
Dog License Fund	4.12
Trust Other Fund	712.28
General Capital Fund	9,730.77
Clerk:	
Street Openings	357.00
Bulk Trash	57.94
Copies and Maps	1,400.00
Planning and Zoning	2,825.80
Fees & Permits	1,350.00
Dumpster Permits	
Municipal Court:	
Fines and Costs	22,968.44
Treasurer:	
Receipts:	
Veterans and Senior Citizens - Administrative Fee	225.00
FEMA - Hurricane Sandy	52,451.07
Miscellaneous Refunds	5,021.04
	<u>57,697.11</u>
	\$ 107,050.29

The accompanying Notes to Financial Statements are an integral part of this statement.



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled
			Expended	Encumbered	
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Salaries and Wages	\$ 50,911.30	\$ 50,911.30	\$ 50,752.72	\$	158.58
Other Expenses	35,000.00	23,500.00	20,257.57	1,751.51	1,490.92
Mayor and Commissioners					
Salaries and Wages	30,000.00	30,000.00	29,999.88		0.12
Municipal Clerk					
Salaries and Wages	91,554.76	91,874.76	91,873.48	389.79	1.28
Other Expenses	10,000.00	10,000.00	4,581.26		5,028.95
Financial Department					
Salaries and Wages	59,350.80	59,350.80	48,050.51	103.68	11,300.29
Other Expenses	7,000.00	7,000.00	3,002.34		3,893.98
Audit Services	28,000.00	28,000.00	28,000.00		
Data Processing					
Other Expenses	46,600.00	46,600.00	43,580.55		3,019.45
Collection of Taxes					
Salaries and Wages	41,755.68	41,755.68	40,178.53		1,577.15
Other Expenses	3,000.00	3,000.00	710.30		2,289.70
Assessment of Taxes					
Salaries and Wages	12,000.00	12,000.00	12,000.00		
Tax Maps and Revaluation Program (N.J.S.A. 40A:4-53 +\$118,000.00)		118,000.00	118,000.00		
Legal Services and Costs					
Other Expenses	100,000.00	112,000.00	99,059.67	5,175.66	7,764.67
Engineering Services					
Other Expenses	24,000.00	29,000.00	28,025.92		974.08
Land Use Administration:					
Planning Board					
Salaries and Wages	9,500.00	9,500.00	9,499.56		0.44
Other Expenses	5,000.00	3,500.00	3,407.17		92.83
Insurance:					
Liability Insurance	40,000.00	39,000.00	38,515.00		485.00
Worker's Compensation Insurance	58,840.00	49,640.00	49,613.00		27.00
Group Employee Insurance	187,210.00	197,710.00	150,708.48	100.00	46,901.52

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
OPERATIONS -- WITHIN "CAPS" (CONT'D)						
Public Safety Functions:						
Police Department						
Salaries and Wages	\$ 414,015.30	\$ 387,375.30	\$ 364,026.68	\$ 1,051.34	\$ 23,348.62	
Other Expenses	63,000.00	61,500.00	38,667.10		21,781.56	
Office of Emergency Management						
Salaries and Wages	1,500.00	1,500.00	1,500.00			
Other Expenses	500.00	500.00	500.00			
Aid to Volunteer Fire Companies	2,500.00	2,500.00	2,500.00			
Fire Department						
Other Expenses	7,000.00	3,148.00	1,000.00	2,147.66	0.34	
Fire Hydrant Service	11,000.00	10,852.00	10,240.00		612.00	
Fire Prevention	9,000.00	9,000.00	8,999.90		0.10	
Public Work Functions:						
Public Works						
Salaries and Wages	142,000.87	152,320.87	152,319.15		1.72	
Other Expenses	30,000.00	30,000.00	2,191.63	19,000.00	8,808.37	
Solid Waste Collection						
Other Expenses	59,400.00	59,400.00	59,302.39		97.61	
Buildings and Grounds						
Other Expenses	15,000.00	13,000.00	9,540.22		3,459.78	
Health and Human Services Functions:						
Animal Control Services						
Other Expenses	8,000.00	7,000.00	5,846.00		1,154.00	
Park and Recreation Functions:						
Parks and Recreation						
Other Expenses	1,050.00	1,050.00	206.05		843.95	
Maintenance of Parks						
Other Expenses	1,050.00	1,050.00	988.08		61.92	
Celebration of Public Events						
Other Expenses	200.00	400.00	344.25		55.75	
Wildwood Municipal Alliance Program	1,000.00	1,000.00	631.50		368.50	

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled
			Expended	Encumbered	
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>					
State Uniform Construction Code					
Construction Official					
Salaries and Wages	\$ 9,000.00	\$ 9,000.00	\$ 8,999.90	\$	0.10
Utility Expenses and Bulk Purchases:					
Electricity	19,000.00	19,000.00	18,128.73		871.27
Street Lighting	27,000.00	27,000.00	23,229.57		3,770.43
Telephone / Communications	32,000.00	32,000.00	28,043.99		3,956.01
Natural Gas	13,000.00	13,000.00	7,898.91		5,101.09
Gasoline / Diesel	25,000.00	22,000.00	13,929.36	\$ 46.38	8,024.26
Water	6,000.00	6,000.00	1,813.06		4,186.94
Landfill / Solid Waste Disposal Costs:					
Landfill Fees	41,000.00	73,000.00	69,488.42		3,511.58
<b>Total Operations - within "CAPS"</b>	<b>1,777,938.71</b>	<b>1,904,938.71</b>	<b>1,700,150.83</b>	<b>29,766.02</b>	<b>175,021.86</b>
<b>Detail:</b>					
Salaries and Wages	870,588.71	854,588.71	818,200.31		36,388.40
Other Expenses	907,350.00	1,050,350.00	881,950.52	29,766.02	138,633.46
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL -- WITHIN "CAPS"</b>					
Regulatory Expenditures:					
Contribution to:					
Public Employee's Retirement System	26,006.00	26,006.00	26,006.00		
Police and Firemen's Retirement System of N.J.	41,884.00	41,884.00	41,884.00		
Unemployment Insurance	10,000.00	1,000.00	232.26		767.74
Social Security System (O.A.S.I.)	69,000.00	69,000.00	68,891.34		108.66
Defined Contribution Retirement Plan	300.00	300.00	300.00		
<b>Total Deferred Charges and Regulatory Expenditures Municipal -- Within "CAPS"</b>	<b>147,190.00</b>	<b>138,190.00</b>	<b>137,313.60</b>	<b>876.40</b>	
<b>Total General Appropriations for Municipal Purposes within "CAPS"</b>	<b>1,925,128.71</b>	<b>2,043,128.71</b>	<b>1,837,464.43</b>	<b>29,766.02</b>	<b>175,898.26</b>

(Continued)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>	<u>Paid or Charged Encumbered</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
OPERATIONS -- EXCLUDED FROM "CAPS"						
Insurance	\$ 2,790.00	\$ 2,790.00	\$ 2,589.86	\$ 200.00		\$ 0.14
Employee Group Health						
Interlocal Municipal Service Agreements:						
Police Dispatcher	35,000.00	35,000.00	35,000.00			
Ambulance Fees	15,000.00	15,000.00	15,000.00			
City of Wildwood Court	19,500.00	19,500.00	19,500.00			
Public and Private Programs Offset by Revenues:						
Unappropriated Reserves:						
Clean Communities Program -- (N.J.S.A. 40A:87 \$4,632.20+)		4,632.20	4,632.20			
Body Armor Replacement Fund -- (N.J.S.A. 40A:87 \$981.19+)		981.19	981.19			
Recycling Tonnage Grant -- (N.J.S.A. 40A:87 \$564.10+)		564.10	564.10			
Unappropriated Reserves:						
Urban Enterprise Zone - Administration	16,351.10	16,351.10	16,351.10			
Urban Enterprise Zone - Project	8,986.41	8,986.41	8,986.41			
Total Operations -- Excluded from "CAPS"	97,627.51	103,805.00	103,604.86	200.00		0.14
Detail:						
Other Expenses	97,627.51	103,805.00	103,604.86	200.00		0.14
MUNICIPAL DEBT SERVICE -- EXCLUDED FROM "CAPS"						
Payment of Bond Principal	150,000.00	150,000.00	150,000.00			
Payment of Bond Anticipation Notes and Capital Notes	83,235.00	83,235.00	39,933.00			\$ 43,302.00
Interest on Bonds	43,425.00	43,425.00	43,425.00			
Interest on Notes	18,000.00	18,000.00	17,270.43			729.57
Total Municipal Debt Service -- Excluded from "CAPS"	294,660.00	294,660.00	250,628.43			44,031.57
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	392,287.51	398,465.00	354,233.29	200.00		44,031.57
Subtotal General Appropriations Reserve for Uncollected Taxes	2,317,416.22	2,441,593.71	2,191,697.72	29,966.02		44,031.57
199,928.31	199,928.31	199,928.31	199,928.31			
Total General Appropriations (Carried Forward)	\$ 2,517,344.53	\$ 2,641,522.02	\$ 2,391,626.03	\$ 29,966.02		\$ 44,031.57

(Continued)

**BOROUGH OF WEST WILDWOOD**

CURRENT FUND

Statement of Expenditures -- Regulatory Basis  
For the Year Ended December 31, 2016

	Budget	Budget After Modification	Paid or Charged		Unexpended Balance Canceled	
			Expended	Encumbered		Reserved
Total General Appropriations (Brought Forward)	\$ 2,517,344.53	\$ 2,641,522.02	\$ 2,391,626.03	\$ 29,966.02	\$ 175,898.40	\$ 44,031.57
Appropriation by 40A.4-87	\$	6,177.49				
Appropriation by 40A.4-53		118,000.00				
Budget		<u>2,517,344.53</u>				
		<u>\$ 2,641,522.02</u>				
Reserve for Federal and State Grants -- Appropriated			\$ 31,515.00			
Reserve for Uncollected Taxes			199,928.31			
Appropriation by 40A.4-53			118,000.00			
Disbursements			<u>2,042,182.72</u>			
			<u>\$ 2,391,626.03</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**

**TRUST FUNDS**

Statements of Assets, Liabilities and Reserves -- Regulatory Basis  
As of December 31, 2016 and 2015

ASSETS:	Ref.	2016	2015
Dog License Fund:			
Cash	SB-1	\$ 932.23	\$ 749.06
Total Dog License Fund		932.23	749.06
Other Funds:			
Cash	SB-1	166,276.94	155,894.69
Total Other Funds		166,276.94	155,894.69
Total Assets		\$ 167,209.17	\$ 156,643.75

**LIABILITIES AND RESERVES:**

Dog License Fund:			
Due to Current Fund	SB-2	\$ 7.88	\$ 3.76
Reserve for Dog License Fund Expenditures	SB-3	924.35	745.30
Total Dog License Fund		932.23	749.06

**Other Funds:**

Due to Current Fund	SB-5	8,701.54	8,516.52
Reserve for Payroll Deductions Payable	SB-6	13,674.99	11,253.01
Miscellaneous Trust Reserves			
Unemployment Compensation Insurance	SB-7	20,234.03	20,207.22
Tax Title Lien Redemption	SB-7	47,084.37	41,529.63
Uniform Fire Safety Act Penalty Monies	SB-7	6,336.62	7,646.82
Planning and Zoning	SB-7	4,840.23	3,340.23
Parking Offense Adjudication Act	SB-7	38.00	26.00
Disposal of Forfeited Property	SB-7	2,536.01	2,165.02
Accumulated Absences	SB-7	40,250.00	40,250.00
Street Openings	SB-7	1,585.86	3,052.82
West Wildwood American Family Festival -			
Acceptance of Bequests/Gifts	SB-7	9,062.11	5,985.24
Pavers, Park Benches & Park Equipment Donations	SB-7	11,933.18	11,922.18
Total Other Funds		166,276.94	155,894.69
Total Liabilities and Reserves		\$ 167,209.17	\$ 156,643.75

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2016 and 2015

ASSETS:	Ref.	2016	2015
Cash	SC-1, SC-2	\$ 2,349,516.70	\$ 1,710,903.79
Deferred Charges to Future Taxation:			
Funded	SC-3	1,515,000.00	1,665,000.00
Unfunded	SC-4	2,914,942.84	2,665,224.00
Due Current Fund	SC-5	<u>298,885.83</u>	<u>19,406.75</u>
Total Assets		<u>\$ 7,078,345.37</u>	<u>\$ 6,060,534.54</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Reserve for Payment of Debt	SC-6		\$ 90,651.73
Improvement Authorizations:			
Funded	SC-7	\$ 778,065.39	778,065.39
Unfunded	SC-7	1,531,288.11	1,452,771.34
Reserve for Encumbrances	SC-7		93,345.19
Capital Improvement Fund	SC-8	47,662.00	77,662.00
General Serial Bonds	SC-9	1,515,000.00	1,665,000.00
Bond Anticipation Notes	SC-10	3,194,043.00	1,898,976.00
Fund Balance	C-1	<u>12,286.87</u>	<u>4,062.89</u>
Total Liabilities and Reserves		<u>\$ 7,078,345.37</u>	<u>\$ 6,060,534.54</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**

**GENERAL CAPITAL FUND**

Statement of Fund Balance - Regulatory Basis  
For the Year Ended December 31, 2016

	Balance December 31, 2015
	Increased by:
	Premium Collected on Sale of Bond Anticipation Notes
	Balance December 31, 2016
	\$ 4,062.89
	8,223.98
	\$ 12,286.87

The accompanying Notes to Financial Statements are an integral part of this statement.



**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
 As of December 31, 2016 and 2015

ASSETS:	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Operating Fund:			
Cash	SD-1	\$ 177,669.30	\$ 169,279.40
Due Water/Sewer Utility Capital Fund	SD-10	15.94	7.98
		<u>177,685.24</u>	<u>169,287.38</u>
Receivables with Full Reserves:			
Sewer Consumer Accounts Receivable	SD-4	57,208.48	44,471.25
		<u>57,208.48</u>	<u>44,471.25</u>
Total Operating Fund		<u>234,893.72</u>	<u>213,758.63</u>
Capital Fund:			
Cash	SD-1	23,425.94	23,417.98
Fixed Capital	SD-5	4,105,344.38	4,094,543.59
Total Capital Fund		<u>4,128,770.32</u>	<u>4,117,961.57</u>
Total Assets		<u>\$ 4,363,664.04</u>	<u>\$ 4,331,720.20</u>

(Continued)

**BOROUGH OF WEST WILDWOOD**

**WATER / SEWER UTILITY FUND**

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis  
As of December 31, 2016 and 2015

LIABILITIES, RESERVES AND FUND BALANCE:		Ref.	2016	2015
<b>Operating Fund:</b>				
Appropriation Reserves	D-3, SD-6	\$	9,345.37	\$ 46,963.85
Sewer Rent Overpayments	SD-7			4,633.73
Prepaid Sewer Rents	SD-8		33,599.35	33,205.01
Accrued Interest on Bonds and Notes	SD-9		18,035.87	18,691.63
<b>Operating Fund:</b>			<u>60,980.59</u>	<u>103,494.22</u>
Reserve for Receivables	D-1		57,208.48	44,471.25
Fund Balance			<u>116,704.65</u>	<u>65,793.16</u>
<b>Total Operating Fund</b>			<u>234,893.72</u>	<u>213,758.63</u>
<b>Capital Fund:</b>				
Due Water/Sewer Utility Operating Fund	SD-10	15.94		7.98
Capital Improvement Fund	SD-11	16,000.00		16,000.00
Reserve for Amortization	SD-12	3,071,767.97		3,023,393.48
General Serial Bonds	SD-13	1,033,576.41		1,071,150.11
Fund Balance	SD-3	7,410.00		7,410.00
<b>Total Capital Fund</b>			<u>4,128,770.32</u>	<u>4,117,961.57</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		\$	<u>4,363,664.04</u>	<u>\$ 4,331,720.20</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statements of Operations and Changes in Fund Balance -- Regulatory Basis  
 For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income Realized</u>		
Surplus Utilized	\$ 10,000.00	\$ 10,000.00
Rents	553,515.76	565,798.93
Miscellaneous	8,028.12	15,055.55
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	<u>46,363.85</u>	<u>3,953.71</u>
Total Income	<u>617,907.73</u>	<u>594,808.19</u>
<u>Expenditures</u>		
Operating	456,000.00	446,000.00
Capital Improvements	12,000.00	12,000.00
Debt Service	88,996.24	89,027.35
Judgments	<u>10,000.00</u>	<u>10,000.00</u>
Total Expenditures	<u>556,996.24</u>	<u>557,027.35</u>
Regulatory Excess to Surplus	<u>60,911.49</u>	<u>37,780.84</u>
<u>Fund Balance</u>		
Balance January 1	<u>65,793.16</u>	<u>38,012.32</u>
	126,704.65	75,793.16
Decreased by:		
Utilized as Revenue in Water / Sewer Utility Operating Budget	<u>10,000.00</u>	<u>10,000.00</u>
Balance December 31	<u>\$ 116,704.65</u>	<u>\$ 65,793.16</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Revenues -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Anticipated	Budget	Realized	Excess or (Deficit)
Surplus Anticipated	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	
Rents - Sewer	540,000.00	540,000.00	553,515.76	\$ 13,515.76
Miscellaneous	8,000.00	8,000.00	8,028.12	28.12
	<u>\$ 558,000.00</u>	<u>\$ 558,000.00</u>	<u>\$ 571,543.88</u>	<u>\$ 13,543.88</u>

Analysis of Realized Revenues:

Rents:				
Consumer Accounts Receivable				
Miscellaneous:				
Interest and Costs on Delinquent Rents:				
Collector				
Treasurer:				
Receipts:				
Interest Earned on Deposits				
Interest Earned in the Water Sewer Capital Fund				
		\$ 1,326.37	93.83	
				<u>1,420.20</u>
				<u>\$ 8,028.12</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Expenditures -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Appropriations		Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Encumbrances Reserved	
Water / Sewer Operating:					
Salaries and Wages	\$ 70,000.00	\$ 70,000.00	\$ 69,730.13	\$ 269.87	
Other Expenses	386,000.00	386,000.00	378,123.71	7,876.29	
<b>Total Operating</b>	<b>456,000.00</b>	<b>456,000.00</b>	<b>447,853.84</b>	<b>8,146.16</b>	
Capital Improvements:					
Acquisition of Equipment	12,000.00	12,000.00	10,800.79	1,199.21	
Debt Service:					
Payment of Bond Principal	38,000.00	38,000.00	37,573.70	\$ 426.30	
Interest on Bonds	52,000.00	52,000.00	51,422.54	577.46	
<b>Total Debt Service</b>	<b>90,000.00</b>	<b>90,000.00</b>	<b>88,996.24</b>	<b>1,003.76</b>	
<b>Total Appropriations</b>	<b>\$ 558,000.00</b>	<b>\$ 558,000.00</b>	<b>\$ 547,650.87</b>	<b>\$ 9,345.37</b>	<b>\$ 1,003.76</b>
Disbursements			\$ 496,228.33		
Accrued Interest on Bonds and Notes			<u>51,422.54</u>		
			<u>\$ 547,650.87</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
 Statement of Changes in General Fixed Assets -- Regulatory Basis  
 For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Additions	Deletions	Balance Dec. 31, 2016
Fixed Assets:				
Land	\$ 549,600.00			\$ 549,600.00
Building	667,500.00			667,500.00
Vehicles and Equipment	726,587.92			709,645.92
Total Fixed Assets	\$ 1,943,687.92	\$ 72,458.00	\$ 89,400.00	\$ 1,926,745.92

The accompanying Notes to Financial Statements are an integral part of this statement.

**BOROUGH OF WEST WILDWOOD**  
Notes to Financial Statements  
For the Year Ended December 31, 2016

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**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of Financial Reporting Entity** - The Borough of West Wildwood (hereafter referred to as the "Borough") was incorporated in April 21, 1920 and is located in southeastern portion of Cape May County. The Borough is a small island that is connected to the City of Wildwood and bordered by the City of North Wildwood and Middle Township. The population estimate by the U.S. Department of Census as of April 2010 is 603. The Borough provides the following services: public safety, recreation, public improvements, planning and zoning and general administrative services.

The Borough is governed by an elected, three member commission form of government, with the Mayor appointed annually by the commission members. The commission is comprised of three individuals serving concurrent four year terms.

**Component Units** - The Borough had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The financial statements of the Borough contain all funds and account groups in accordance with the *Requirements of Audit* ("*Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Borough accounts for its financial transactions through the use of separate funds which are described as follows:

**Current Fund** - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

**Water/Sewer Utility Operating and Capital Funds** - The water / sewer utility operating and capital funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations. The water operations were sold to the City of Wildwood in 2011.

**General Fixed Asset Group of Accounts** - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets and Budgetary Accounting** - The Borough must adopt an annual budget for its current and water / sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements.

**Cash, Cash Equivalents and Investments** - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Borough requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**Interfund** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.



**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**General Fixed Assets** - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Utility Fixed Assets** - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

**Foreclosed Property** - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund balances included in the current fund and water / sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

**Property Tax Revenues** - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budgets of the County of Cape May and the Borough of West Wildwood School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

**School Taxes** - The Borough is responsible for levying, collecting, and remitting school taxes for the Borough of West Wildwood School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

**County Taxes** - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Cape May. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

**Reserve for Uncollected Taxes** - The inclusion of the "reserve for uncollected taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** are recorded on the "budgetary" basis of accounting. Generally, Expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Long-Term Debt** - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

**Note 2: CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2016, the Borough's bank balances of \$4,502,406.65 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 4,502,406.65
Uninsured and Uncollateralized	<u>-</u>
Total	<u>\$ 4,502,406.65</u>

**Note 3: PROPERTY TAXES**

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

	<u>Year Ended</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 1.427</u>	<u>\$ 1.430</u>	<u>\$ 1.359</u>	<u>\$ 1.278</u>	<u>\$ 1.329</u>
Apportionment of Tax Rate:					
Municipal	\$ .697	\$ .678	\$ .605	\$ .566	\$ .551
County	.230	.241	.238	.232	.231
Local School	.500	.511	.516	.480	.547

**Note 3: PROPERTY TAXES (CONT'D)**

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

<u>Assessed Valuation</u>	<u>Year</u>
\$ 246,823,604.00	2016
250,722,438.00	2015
251,832,871.00	2014
252,965,990.00	2013
255,132,439.00	2012

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 3,532,801.29	\$ 3,376,551.90	95.58%
2015	3,593,640.12	3,396,199.91	94.51%
2014	3,432,288.71	3,228,777.09	94.07%
2013	3,234,831.41	3,062,256.25	94.67%
2012	3,390,970.79	3,173,955.30	93.60%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 130,405.89	\$ 128,756.35	\$ 259,162.24	7.34%
2015	106,354.36	127,186.50	233,540.86	6.50%
2014	256,428.20	136,465.00	392,893.20	11.45%
2013	209,426.68	114,882.38	324,309.06	10.03%
2012	211,577.42	152,827.25	364,404.67	10.75%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2016	18
2015	31
2014	36
2013	33
2012	33

**Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 108,298.49
2015	108,298.49
2014	N/A
2013	N/A
2012	N/A

**Note 5: SEWER UTILITY SERVICE CHARGES**

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Levy</u>	<u>Total</u>	<u>Cash Collections</u>
	<u>Receivable</u>	<u>Liens</u>			
2016	\$ 44,471.25		\$ 566,252.99	\$ 610,724.24	\$ 553,515.76
2015	44,340.18		565,930.00	610,270.18	565,798.93
2014	37,932.20		561,910.00	599,842.20	555,502.02
2013	42,545.91	\$ 1,409.51	473,076.00	517,031.42	475,391.54
2012	23,090.90	1,409.51	453,315.28	477,815.69	433,860.27

**Note 6: FUND BALANCES APPROPRIATED**

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

**Current Fund**

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2016	\$ 344,307.90	\$ 339,000.00	98.46%
2015	425,951.01	414,000.00	97.19%
2014	524,421.21	520,000.00	99.16%
2013	505,953.92	450,200.00	88.98%
2012	439,954.15	330,000.00	75.01%

Note 6: FUND BALANCES APPROPRIATED (CONT'D)

Sewer Utility Fund

Year	Balance December 31,	Utilized in Budget of Succeeding Year	Percentage of Fund Balance Used
2016	\$ 116,704.65	\$ 77,500.00	66.41%
2015	65,793.16	10,000.00	15.20%
2014	38,012.32	10,000.00	26.31%
2013	20,355.13	10,000.00	49.13%
2012	75,605.99	60,000.00	79.36%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2016:

Fund	Interfunds Receivable	Interfunds Payable
Current	\$ 8,709.42	\$ 427,192.79
Federal and State Grant	128,306.96	7.88
Trust - Animal Control		8,701.54
Trust - Other		15.94
General Capital	298,885.83	
Water/Sewer Utility - Operating	15.94	
Water/Sewer Utility - Capital		
	\$ 435,918.15	\$ 435,918.15

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2017, the Borough expects to liquidate such interfunds, depending upon the availability of cash flow.



**Note 8: PENSION PLANS**

A substantial number of the Borough's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, one Borough employee participates in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295  
<http://www.state.nj.us/treasury/pensions>

**General Information about the Pension Plans****Plan Descriptions**

**Public Employees' Retirement System** - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

**Police and Firemen's Retirement System** - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Borough. The PFRS's Board of Trustees is primarily responsible for the administration of the PFRS.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

**Vesting and Benefit Provisions**

**Public Employees' Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Police and Firemen's Retirement System** - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

**Tier Definition**

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.



**Note 8: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

**Defined Contribution Retirement Program** - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

**Contributions**

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Borough's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 11.49% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$26,945.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$26,006.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$16,723.64.

Note 8: PENSION PLANS (CONT'D)General Information about the Pension Plans (Cont'd)**Contributions (Cont'd)**

**Police and Firemen's Retirement System** - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. Employers' contributions are based on an actuarially determined amount which includes the normal cost and unfunded accrued liability.

*Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Borough's contractually required contribution rate for the year ended December 31, 2016 was 23.47% of the Borough's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2016, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$35,044.00, and is payable by April 1, 2017. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2015, the Borough's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$41,884.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$16,804.20.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Borough, for the year ended December 31, 2016 was 1.77% of the Borough's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2016 is \$2,642.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Borough, to the pension plan for the year ended December 31, 2015 was \$3,918.00, which was paid on April 1, 2016.

Note 8: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

**Contributions (Cont'd)**

**Defined Contribution Retirement Program** - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Borough contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2016, employee contributions totaled \$549.96, and the Borough's contributions were \$300.00. There were no forfeitures during the year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

**Public Employees' Retirement System** - At December 31, 2016, the Borough's proportionate share of the PERS net pension liability was \$898,296.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was .0030330294%, which was an increase of .0000081326% from its proportion measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$140,506.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contribution to PERS was \$26,006.00, and was paid on April 1, 2016.

**Police and Firemen's Retirement System** - At December 31, 2016, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$ 821,043.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Borough	68,947.00
	<u>\$ 889,990.00</u>

Note 8: PENSION PLANS (CONT'D)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

**Police and Firemen's Retirement System (Cont'd)** - The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2016 measurement date, the Borough's proportion was .0042980811%, which was a decrease of .0008546478% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Borough, was .0042980811%, which was a decrease of .0008546478% from its proportion, on-behalf of the Borough, measured as of June 30, 2015.

At December 31, 2016, the Borough's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$186,470.00. This expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2016, the Borough's contribution to PFRS was \$41,884.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Borough, calculated by the plan as of the June 30, 2016 measurement date is \$68,947.00. This on-behalf expense is not recognized by the Borough because of the regulatory basis of accounting as described in note 1.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - At December 31, 2016, the Borough had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 16,706.00	\$ -	\$ 16,706.00	\$ -	\$ 5,382.00	\$ 5,382.00
Changes of Assumptions	186,079.00	113,721.00	299,800.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	34,253.00	57,529.00	91,782.00	-	-	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions	191,853.00	410,295.00	602,148.00	-	98,312.00	98,312.00
Borough Contributions Subsequent to the Measurement Date	13,473.00	17,522.00	30,995.00	-	-	-
	\$ 442,364.00	\$ 599,067.00	\$ 1,041,431.00	\$ -	\$ 103,694.00	\$ 103,694.00

\$13,473.00 and \$17,522.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Borough's year end of December 31, 2016.

Note 8: PENSION PLANS (CONT'D)Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

**Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)** - The Borough will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>PERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	-	5.00	-	5.00
June 30, 2016	5.00	-	5.00	-
Changes in Proportion and Differences between Borough Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58

Note 8: PENSION PLANS (CONT'D)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	PERS	PFRS	Total
2017	\$ 108,111.00	\$ 138,326.00	\$ 246,437.00
2018	108,111.00	138,326.00	246,437.00
2019	116,571.00	152,119.00	268,690.00
2020	79,401.00	60,203.00	139,604.00
2021	16,697.00	(11,123.00)	5,574.00
	\$ 428,891.00	\$ 477,851.00	\$ 906,742.00

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	PERS	PFRS
Inflation	3.08%	3.08%
Salary Increases: Through 2026 Thereafter	1.65% - 4.15% Based on Age 2.65% - 5.15% Based on Age	2.10% - 8.98% Based on Age 3.10% - 9.98% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013



**Note 8: PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. Mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

For PFRS, pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Postretirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's and PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

Note 8: PENSION PLANS (CONT'D)

Actuarial Assumptions (Cont'd)

Asset Class	Target Allocation	Expected Real Long-Term Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
		100.00%

**Discount Rate** - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.



**Note 8: PENSION PLANS (CONT'D)****Sensitivity of Borough's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

**Public Employees' Retirement System (PERS)** - The following presents the Borough's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 1,100,757.00	\$ 898,296.00	\$ 731,147.00

**Police and Firemen's Retirement System (PFRS)** - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Borough's annual required contribution. As such, the net pension liability as of June 30, 2016, the plans measurement date, for the Borough and the State of New Jersey, calculated using a discount rate of 5.55%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>PFRS</b>		
	<b>1% Decrease (4.55%)</b>	<b>Current Discount Rate (5.55%)</b>	<b>1% Increase (6.55%)</b>
Borough's Proportionate Share of the Net Pension Liability	\$ 1,058,675.00	\$ 821,043.00	\$ 627,269.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Borough	88,902.10	68,947.00	52,674.82
	<u>\$ 1,147,577.10</u>	<u>\$ 889,990.00</u>	<u>\$ 679,943.82</u>

**Pension Plan Fiduciary Net Position**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

Note 8: PENSION PLANS (CONT'D)

Supplementary Pension Information

In accordance with GASB 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

*Schedule of the Borough's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Four Years)*

	Measurement Date Ended June 30,			
	2016	2015	2014	2013
Borough's Proportion of the Net Pension Liability	0.003030330294%	0.0030248968%	0.0026845448%	0.0012356008%
Borough's Proportionate Share of the Net Pension Liability	\$ 898,296.00	\$ 679,029.00	\$ 502,620.00	\$ 236,148.00
Borough's Covered Payroll (Plan Measurement Period)	\$ 208,652.00	\$ 191,320.00	\$ 185,652.00	\$ 85,232.00
Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	430.52%	354.92%	270.73%	277.06%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

*Schedule of the Borough's Contributions - Public Employees' Retirement System (PERS) (Last Four Years)*

	Year Ended December 31,			
	2016	2015	2014	2013
Borough's Contractually Required Contribution	\$ 26,945.00	\$ 26,006.00	\$ 22,131.00	\$ 9,310.00
Borough's Contribution in Relation to the Contractually Required Contribution	(26,945.00)	(26,006.00)	(22,131.00)	(9,310.00)
Borough's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Borough's Covered Payroll (Calendar Year)	\$ 234,541.00	\$ 219,738.00	\$ 194,319.00	\$ 217,489.00
Borough's Contributions as a Percentage of its Covered Payroll	11.49%	11.84%	11.39%	4.28%

Note 8: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of the Borough's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Four Years)*

	Measurement Date Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Proportion of the Net Pension Liability	0.0042980811%	0.0051527289%	0.0017550505%	0.0000000000%
Borough's Proportionate Share of the Net Pension Liability	\$ 821,043.00	\$ 858,265.00	\$ 220,769.00	\$ -
State's Proportionate Share of the Net Pension Liability associated with the Borough	68,947.00	75,267.00	23,773.00	-
Total	<u>\$ 889,990.00</u>	<u>\$ 933,532.00</u>	<u>\$ 244,542.00</u>	<u>\$ -</u>
Borough's Covered Payroll (Plan Measurement Period)	\$ 137,380.00	\$ 191,568.00	\$ 36,952.00	\$ -
Borough's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	597.64%	448.02%	597.45%	#DIV/0!
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

*Schedule of the Borough's Contributions - Police and Firemen's Retirement System (PFRS) (Last Four Years)*

	Year Ended December 31,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Borough's Contractually Required Contribution	\$ 35,044.00	\$ 41,884.00	\$ 13,480.00	\$ -
Borough's Contribution in Relation to the Contractually Required Contribution	(35,044.00)	(41,884.00)	(13,480.00)	-
Borough's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Borough's Covered Payroll (Calendar Year)	\$ 149,296.00	\$ 134,208.00	\$ 175,734.00	\$ 70,154.00
Borough's Contributions as a Percentage of its Covered Payroll	23.47%	31.21%	7.67%	0.00%

**Note 8: PENSION PLANS (CONT'D)**

**Other Notes to Supplementary Pension Information**

**Public Employees' Retirement System (PERS)**

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

**Police and Firemen's Retirement System (FFRS)**

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65%, and the mortality improvement scale incorporated the plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description** - The Borough contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2010, the Borough authorized participation in the SHBP's post-retirement benefit program through resolution number 10-11. Under the plan, any employees' eligible for enrollment in the SHBP as an employee is eligible for employer paid coverage when retiring with 33 years or more service to the Borough and has reached the age of 55 years. The retiree will continue to receive the same coverage that was received at the time of retirement, however, the cost to the Borough is reduced when the retiree becomes Medicare eligible.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).

**Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**

**Funding Policy** - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Borough's contributions to SHBP for the years ended December 31, 2016, 2015, and 2014, were \$19,456.32, \$18,566.64, and \$17,507.64, respectively, which equaled the required contributions each year. There were 2 retired participants eligible at December 31, 2016, 2015, and 2014, respectively.

**Note 10: COMPENSATED ABSENCES**

Full-time employees are entitled to twelve paid sick leave days each year. Any unused sick leave may be accumulated and carried indefinitely. Unused vacation time can only be carried into the following calendar year. These policies cover non-union and union employees to the extent that their collective bargaining agreements do not cover these issues.

The Borough compensates employees for unused sick leave upon termination or retirement. The current policy provides that upon separation of service in good standing from the Borough, employees may either utilize or sell back to the Borough, at the then current rate of pay of the employees, up to fifty percent (50%) of the employee's unused accumulated sick days up to a maximum of ten thousand (\$10,000.00) dollars.

The Borough does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2016 accrued benefits for compensated absences are valued at \$237,059.98.

**Note 11: DEFERRED COMPENSATION SALARY ACCOUNT**

The Borough offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Borough or its creditors. Since the Borough does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Borough's financial statements.

**Note 12: LEASE OBLIGATIONS**

At December 31, 2016, the Borough had lease agreements in effect for the following:

Capital:  
 2013 Chevy Tahoe  
 2013 Ford F-450

Operating:  
 One (1) Sharp Document System

**Capital leases** - The following is an analysis of the Borough's capital leases:

Description	2016	2015
Vehicles	\$ 28,803.58	\$ 49,752.02
<b>Balance at December 31,</b>		

The following schedule represents the remaining principal and interest payments, through maturity, for capital leases:

Year	Principal	Interest	Total
2017	\$ 18,678.21	\$ 1,288.34	\$ 19,966.55
2018	8,632.73	204.30	8,837.03
Total	\$ 27,310.94	\$ 1,492.64	\$ 28,803.58

**Operating Leases** - Future minimum lease payments under operating lease agreements are as follows:

Year	Amount
2017	\$ 1,374.00

Rental payments under operating leases for the year 2016 were \$2,748.00.

**Note 13: CAPITAL DEBT**

**General Improvement Bonds**

General Improvement Bonds, Series 2014 - On February 6, 2014, the Borough issued \$1,765,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The bonds were issued for the purpose of funding various capital ordinances in the Borough. The final maturity of the bonds is February 1, 2024.

General Improvement Bonds, Series 1992 - On September 17, 1992, the Borough issued \$562,600.00 of general improvement bonds, with a net interest cost of 5.625%. The bonds were issued for the purpose of funding various water/sewer capital projects in the Borough. The final maturity of the bonds is September 8, 2032.

General Improvement Bonds, Series 1994 - On August 12, 1994, the Borough issued \$1,000,000.00 of general improvement bonds, with a net interest cost of 4.5%. The bonds were issued for the purpose of funding various water/sewer capital projects in the Borough. The final maturity of the bonds is August 12, 2034.

**Note 13: CAPITAL DEBT (CONT'D)****General Improvement Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 214,445.50	\$ 90,381.50	\$ 304,827.00
2018	216,411.71	84,477.78	300,889.49
2019	223,477.18	77,974.82	301,452.00
2020	230,646.95	70,780.05	301,427.00
2021	247,926.38	62,725.62	310,652.00
2022-2026	878,070.56	197,189.43	1,075,259.99
2027-2031	355,099.18	93,160.81	448,259.99
2031-2034	182,498.95	13,291.54	195,790.49
	<u>\$ 2,548,576.41</u>	<u>\$ 689,981.55</u>	<u>\$ 3,238,557.96</u>

The following schedule represents the Borough's summary of debt for the current and two previous years:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$ 4,709,043.00	\$ 3,563,976.00	\$ 3,223,976.00
Water/Sewer Utility:			
Bonds and Notes	1,033,576.41	1,071,150.11	1,106,941.82
Total Issued	<u>5,742,619.41</u>	<u>4,635,126.11</u>	<u>4,330,917.82</u>
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	1,248.00	766,248.00	1,248.00
Water/Sewer Utility:			
Bonds and Notes	-	-	-
Total Authorized but not Issued	<u>1,248.00</u>	<u>766,248.00</u>	<u>1,248.00</u>
Total Issued and Authorized but not Issued	<u>5,743,867.41</u>	<u>5,401,374.11</u>	<u>4,332,165.82</u>
<b><u>Deductions</u></b>			
General:			
Reserve for Payment of Bonds		90,651.73	90,651.73
Cash Pledged to Payment of Notes	280,348.16		
Water/Sewer Utility:			
Self-Liquidating	1,033,576.41	1,071,150.11	1,106,941.82
Total Deductions	<u>1,313,924.57</u>	<u>1,161,801.84</u>	<u>1,197,593.55</u>
<b>Net Debt</b>	<u>\$ 4,429,942.84</u>	<u>\$ 4,239,572.27</u>	<u>\$ 3,134,572.27</u>

**Note 13: CAPITAL DEBT (CONT'D)**

**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.906%.

	Gross Debt	Deductions	Net Debt
Self-Liquidating	\$ 1,033,576.41	\$ 1,033,576.41	
General	4,710,291.00	280,348.16	\$ 4,429,942.84
	\$ 5,743,867.41	\$ 1,313,924.57	\$ 4,429,942.84

Net debt \$4,429,942.84 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$232,444,80.67, equals 1.906%.

**Borrowing Power Under N.J.S.A. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis (Municipal) \$ 8,135,567.32

Less: Net Debt

4,429,942.84

Remaining Borrowing Power

\$ 3,705,624.48

**Calculation of "Self-Liquidating Purpose,"  
Water/Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance  
Anticipated, Interest and Other Investment  
Income, and Other Charges for the Year

\$ 571,543.88

Deductions:

Operating and Maintenance Costs

\$ 456,000.00

Debt Service

88,996.24

Total Deductions

544,996.24

Excess in Revenue

\$ 26,547.64

**Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

Description	Balance December 31, 2016	2017 Budget Appropriation
Current Fund:		
Special Emergency Authorization	\$ 118,000.00	\$ 23,600.00

The appropriation in the 2017 Budget as adopted is not less than that required by the statutes.



**Note 15: RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**New Jersey Unemployment Compensation Insurance** - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ -	\$ -	\$ 26.81	\$ -	\$ 20,234.03
2015	-	-	20.25	-	20,207.22
2014	-	-	80.29	-	20,186.97

It is estimated that there are no unreimbursed payments on behalf of the Borough at December 31, 2016.

**Joint Insurance Pool** - The Borough is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Property	General & Automobile Liability	Cyber Liability
Boiler & Machinery	Workers' Compensation	Volunteer Directors Officials
Non-owned Aircraft Liability	Crime & Employee Dishonesty	Public Officials / Employment

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Borough's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2016, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund  
P.O. Box 488  
Marlton, New Jersey 08053

**Note 16: CONTINGENCIES**

**Grantor Agencies** - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Borough expects such amount, if any, to be immaterial.

**Litigation** - The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

**Note 17: CONCENTRATIONS**

The Borough depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Borough is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

**Note 18: SUBSEQUENT EVENTS**

**Authorization of Debt** - Subsequent to December 31, the Borough authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
<b>General Improvements:</b> Various Capital Improvements	March 3, 2017	\$ 570,000.00
<b>Utility Improvements:</b> Refunding Bond Ordinance (USDA)	March 3, 2017	1,050,000.00

**SUPPLEMENTAL EXHIBITS**



**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**





**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Current Cash -- Treasurer  
For the Year Ended December 31, 2016

	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2015	\$ 822,844.65	
Increased by Receipts:		
Miscellaneous Revenue not Anticipated	\$ 57,697.11	
Collector	3,505,457.08	
Revenue Accounts Receivable	230,052.51	
Due State of New Jersey -- Veterans' and Senior Citizens' Deductions	11,250.00	
Due State of New Jersey -- Marriage Licenses	75.00	
Due Federal and State Grant Fund	20,263.81	
Due Wildwood Water Department	1,057.69	
Special Emergency Notes	118,000.00	
Due Trust - Other Fund	527.26	
Due General Capital Fund	279,479.08	
Federal and State Grants Receivable		<u>\$ 48,677.49</u>
	<u>4,223,859.54</u>	<u>\$ 48,677.49</u>
	5,046,704.19	48,677.49
Decreased by Disbursements:		
2016 Appropriations	2,042,182.72	
2015 Appropriation Reserves	53,105.79	
Refunds - Tax Overpayments	2,448.52	
County Taxes Payable	566,901.76	
Due State of New Jersey -- Marriage Licenses	75.00	
Due County for Added and Omitted Taxes	1,713.08	
Local School District Taxes Payable	616,171.50	
Due Wildwood Water Department	1,087.69	
Refund of a Prior Year Revenue	1,850.00	
Reserve for Revaluation Program and Tax Maps	36,701.25	
Due Current Fund		20,263.81
Reserve for Federal and State Grants -- Appropriated		<u>28,413.68</u>
	<u>3,322,237.31</u>	<u>48,677.49</u>
Balance December 31, 2016	<u>\$ 1,724,466.88</u>	<u>\$ -</u>

**BOROUGH OF WEST WILDWOOD**

**CURRENT FUND**

**Statement of Current Cash**

Per N.J.S. 40A:5-5 - Collector

For the Year Ended December 31, 2016

	Increased by:
	Taxes Receivable
	Tax Title Liens
	Prepaid Taxes
	Tax Overpayments
	Revenue Accounts Receivable:
	Interest and Costs on Taxes
\$ 3,423,687.88	
27,677.15	
3,505,457.08	
\$ 3,505,457.08	Payments to Treasurer



**BOROUGH OF WEST WILDWOOD**  
CURRENT FUND  
Schedule of Change Funds  
As of December 31, 2016

---

Office  
Treasurer

Balance December 31, 2016

\$ 100.00

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Due from State of New Jersey  
 Veterans' and Senior Citizens' Deductions  
 For the Year Ended December 31, 2016

				Balance December 31, 2015	
				Increased by:	
				Acrued in 2016:	
				Deductions per Tax Billing	
				Deductions Allowed by Tax Collector	
\$	4,125.00	\$	13,000.00		
			500.00		
			13,500.00		
			17,625.00		
				Decreased by:	
				Receipts	
				Deductions Disallowed by the Collector:	
				2015	
			11,250.00		
			1,750.00		
			13,000.00		
\$	4,625.00				
				Balance December 31, 2016	

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Taxes Receivable  
 For the Year Ended December 31, 2016

Year	Balance December 31, 2015	2016 Lewy	Added Taxes	Collections 2015	2016	Due from State of New Jersey	Transferred to Tax Title Liens	Over- Payments Applied	Canceled	Balance December 31, 2016
2013	\$ 1,265.00									\$ 1,265.00
2014	1,618.34				262.06					1,356.28
2015	124,303.16		\$ 1,750.00		124,278.28		\$ 38.92		\$ 58.82	1,677.14
2016	127,186.50		1,750.00		124,540.34		38.92		58.82	4,298.42
		\$ 3,532,801.29	\$ 63,424.54	3,299,147.54	\$ 13,500.00	\$ 23,945.90	\$ 479.82	7,845.56		124,457.93
	\$ 127,186.50	\$ 3,532,801.29	\$ 1,750.00	\$ 63,424.54	\$ 3,423,687.88	\$ 13,500.00	\$ 23,984.82	\$ 479.82	\$ 7,904.38	\$ 128,756.35

Analysis of 2016 Property Taxes

Tax Yield:  
 General Purpose Tax  
 Added Taxes (54.4-63.1 et seq.)

\$ 3,522,173.10  
10,628.19  
\$ 3,532,801.29

Tax Levy:

Local District School Tax  
 County Taxes:  
 Net County Taxes  
 County Library Tax  
 County Open Space Tax  
 Due County for Added and Omitted Taxes

\$ 1,232,343.00  
 \$ 480,671.38  
 64,144.62  
 22,085.76  
1,713.08

Total County Taxes  
 Local Tax for Municipal Purposes  
 Add: Additional Tax Levied

568,614.84  
 1,719,074.29  
12,769.16  
1,731,843.45  
\$ 3,532,801.29

**BOROUGH OF WEST WILDWOOD**

**CURRENT FUND**

**Statement of Tax Title Liens**

For the Year Ended December 31, 2016

	Balance December 31, 2015
\$ 106,354.36	Increased by:
\$ 66.71	Interest and Costs Accrued
23,984.82	Transfers from Taxes Receivable
<u>24,051.53</u>	Balance December 31, 2016
<u>\$ 130,405.89</u>	

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Revenue Accounts Receivable  
 For the Year Ended December 31, 2016

	Balance December 31, 2015	Accrued in 2016	Collector	Collections Treasurer	Due from Dog License Fund	Due from Trust - Other Fund	Balance December 31, 2016
Clerk:							
Licenses:							
Alcohol Beverages	\$	1,020.00		\$ 1,020.00			
Other		21,357.00		21,357.00			
Tax Collector:		27,677.15	\$ 27,677.15				
Interest and Costs on Taxes							
Treasurer:							
Energy Receipts Tax		40,531.00		40,531.00			
Fire Prevention Revenue		6,356.00		6,356.00			
Settlement of Sale of Borough Land		21,500.00		21,500.00			
Reserve for Payment of Debt - General Capital Fund		90,651.73		90,651.73			
Non Budgeted Revenue:							
Cable Television Franchise Tax		6,525.57		6,525.57			
Interest Earned on Deposits		13,868.43		13,152.03	\$ 4.12	\$ 712.28	
Clerk:							
Other		5,990.74		5,990.74			
Municipal Court:							
Fines and Costs	\$ 2,138.66	22,031.11		22,968.44			\$ 1,201.33
	\$ 2,138.66	\$ 257,508.73	\$ 27,677.15	\$ 230,052.51	\$ 4.12	\$ 712.28	\$ 1,201.33

**BOROUGH OF WEST WILDWOOD**

**CURRENT FUND**

Statement of Due from State of New Jersey  
Marriage and Domestic Partnership Licenses  
For the Year Ended December 31, 2016

	Balance December 31, 2015
\$ 25.00	
75.00	Increased by:
100.00	Disbursements
75.00	Decreased by:
25.00	Receipts
\$ 25.00	Balance December 31, 2016

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of 2015 Appropriation Reserves  
For the Year Ended December 31, 2016

	Balance December 31, 2015		Balance After Modification	Expended	Balanced Lapsed
	Encumbered	Reserved			
OPERATIONS -- WITHIN "CAPS"					
General Government Functions:					
General Administration					
Salaries and Wages		\$ 7.33	\$ 7.33		\$ 7.33
Other Expenses		11,650.29	8,038.29	\$ 1,022.13	7,016.16
Mayor and Commissioners					
Salaries and Wages		0.08	0.08		0.08
Municipal Clerk					
Salaries and Wages		51.40	51.40		51.40
Other Expenses	\$ 78.70	95.16	173.86	78.70	95.16
Financial Department					
Salaries and Wages		1,715.44	1,715.44		1,715.44
Other Expenses	98.35	2,091.83	2,190.18	349.85	1,840.33
Computerized Data Processing					
Other Expenses	539.70	5,837.30	6,377.00	2,191.58	4,185.42
Collection of Taxes					
Salaries and Wages		55.53	55.53		55.53
Other Expenses		1,764.16	1,764.16		1,764.16
Legal Services and Costs					
Other Expenses	2,916.66	10,386.33	16,914.99	16,914.39	0.60
Engineering Services					
Other Expenses		4,151.50	4,151.50	3,302.50	849.00
Land Use Administration					
Planning Board					
Salaries and Wages		1,583.70	1,583.70		1,583.70
Other Expenses		1,260.08	1,260.08		1,260.08
Insurance					
Liability Insurance		2,212.00	2,212.00		2,212.00
Worker's Compensation		3,000.00	3,000.00		3,000.00
Group Employee Insurance		13,481.75	13,481.75		13,481.75
Police Department					
Salaries and Wages		60,064.55	60,064.55	7,905.00	52,159.55
Other Expenses	1,730.54	1,905.07	3,635.61	1,730.54	1,905.07
Office of Emergency Management					
Other Expenses		500.00	500.00		500.00
Fire Department					
Other Expenses	2,659.40		2,659.40	1,890.00	769.40
Fire Hydrant Services	1,366.40	1,612.94	2,979.34	1,530.00	1,449.34
Fire Prevention		503.49	503.49	276.00	227.49
Public Works					
Salaries and Wages		10,339.54	10,339.54		10,339.54
Other Expenses	315.17	3,899.09	4,214.26	1,554.11	2,660.15
Buildings and Grounds					
Other Expenses	2,006.56	2,565.71	4,572.27	2,506.56	2,065.71
Animal Control Services					
Other Expenses		349.00	349.00		349.00
Parks and Recreation Functions:					
Other Expenses		950.03	950.03	11.83	938.20
Maintenance of Parks					
Other Expenses		322.98	322.98		322.98
Solid Waste Collections					
Other Expenses		7,863.78	7,863.78	7,800.00	63.78
Celebration of Public Events					
Other Expenses		104.69	104.69		104.69
Construction Official					
Salaries and Wages		89.66	89.66		89.66

(Continued)

**BOROUGH OF WEST WILDWOOD  
CURRENT FUND  
Statement of 2015 Appropriation Reserves  
For the Year Ended December 31, 2016**

	Balance December 31, 2015	Balance After Modification	Expended	Balanced Lapsed
<b>OPERATIONS -- WITHIN "CAPS" (CONT'D)</b>				
Utility Expenses and Bulk Purchases:				
Electricity	\$ 179.18	\$ 179.18		\$ 179.18
Street Lighting	3,135.24	3,135.24		3,135.24
Telephone / Communications	2,357.36	2,357.36	\$ 1,093.27	1,264.09
Natural Gas	288.61	288.61		288.61
Gasoline/Diesel	9,011.91	9,784.78	1,831.84	7,952.94
Water	772.87	9,784.78		235.46
Landfill/Solid Waste Disposal Costs	18,453.18	18,453.18	663.33	17,789.85
Landfill Fees	18,453.18	18,453.18		
<b>Total Operations -- Within "CAPS"</b>	<b>12,484.35</b>	<b>196,559.70</b>	<b>52,651.63</b>	<b>143,908.07</b>
Regulatory Expenditures				
Contribution to:				
Unemployment Insurance	9,275.74	9,275.74	454.16	8,821.58
Social Security System (O.A.S.I.)	1,185.95	1,185.95		1,185.95
<b>Total Deferred Charges -- Within "CAPS"</b>	<b>10,461.69</b>	<b>10,461.69</b>	<b>454.16</b>	<b>10,007.53</b>
<b>Total General Appropriations for Municipal Purposes -- Within "CAPS"</b>	<b>12,484.35</b>	<b>207,021.39</b>	<b>53,105.79</b>	<b>153,915.60</b>
<b>Total General Appropriations</b>	<b>\$ 12,484.35</b>	<b>\$ 207,021.39</b>	<b>\$ 53,105.79</b>	<b>\$ 153,915.60</b>



**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Reserve for Revaluation Program and Tax Maps  
For the Year Ended December 31, 2016

---

Increased by:	
Deferred Charge -- Special Emergency	\$ 118,000.00
Decreased by:	
Disbursements	<u>36,701.25</u>
Balance December 31, 2016	<u><u>\$ 81,298.75</u></u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Prepaid Taxes  
 For the Year Ended December 31, 2016

	\$	63,424.54		
		51,067.98		Balance December 31, 2015 (2016 Taxes)
		114,492.52		Increased by:
		63,424.54		Receipts -- Collector
		63,424.54		Decreased by:
		114,492.52		Application to Taxes Receivable
		63,424.54		Balance December 31, 2016 (2017 Taxes)

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Tax Overpayments  
 For the Year Ended December 31, 2016

	\$	3,191.81		
		3,024.07		Balance December 31, 2015
		6,215.88		Increased by:
		3,024.07		Receipts -- Collector
		6,215.88		Decreased by:
		2,448.52		Disbursements -- Refunded
		479.82		Application to Taxes Receivable
		2,928.34		2016 Taxes Receivable
		3,287.54		Balance December 31, 2016

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2016

---

2016 Levy:		
Net County Taxes	\$	480,671.38
County Library Tax		64,144.62
Open Space Tax		<u>22,085.76</u>
		\$ 566,901.76
Decreased by:		
Disbursements		<u>\$ 566,901.76</u>

**Exhibit SA-14**

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
Statement of Due County for Added and Omitted Taxes  
For the Year Ended December 31, 2016

---

Increased by:		
County Share of 2016 Levy:		
Added Assessments (R.S. 54:4-63.1 et seq.)	\$	1,713.08
Decreased by:		
Disbursements		<u>\$ 1,713.08</u>

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Local School District Taxes  
 For the Year Ended December 31, 2016

	\$ 1.00				
	1,232,343.00	1,232,343.00			
	1,232,344.00	1,232,344.00			
	616,171.50	616,171.50			
	616,172.50	616,172.50			
	\$ 616,172.50	\$ 616,172.50			

Balance December 31, 2015  
 Increased by:  
 2016 Levy -- Calendar Year

Decreased by:  
 Disbursements

Balance December 31, 2016

**BOROUGH OF WEST WILDWOOD**  
**CURRENT FUND**  
 Statement of Due to Wildwood Water Department  
 For the Year Ended December 31, 2016

	\$ 30.00				
	1,057.69	1,057.69			
	1,087.69	1,087.69			
	\$ 1,087.69	\$ 1,087.69			

Balance December 31, 2015

Increased by:  
 Receipts

Decreased by:  
 Disbursements

**BOROUGH OF WEST WILDWOOD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Federal, State and Other Grants Receivable  
For the Year Ended December 31, 2016

	Balance <u>December 31, 2015</u>	<u>Accrued</u>	<u>Received</u>	Balance <u>December 31, 2016</u>
State Grants:				
NJ Transportation Trust Fund Authority Act	\$ 79,310.00		\$ 42,500.00	\$ 36,810.00
Body Armor Replacement Fund		\$ 981.19	981.19	
Clean Communities Program		4,632.20	4,632.20	
Recycling Tonnage Grant		564.10	564.10	
	<u>79,310.00</u>	<u>6,177.49</u>	<u>48,677.49</u>	<u>36,810.00</u>
Total State Programs	<u>79,310.00</u>	<u>6,177.49</u>	<u>48,677.49</u>	<u>36,810.00</u>
Total All Grants	<u>\$ 79,310.00</u>	<u>\$ 6,177.49</u>	<u>\$ 48,677.49</u>	<u>\$ 36,810.00</u>

**BOROUGH OF WEST WILDWOOD**  
**FEDERAL AND STATE GRANT FUND**  
**Statement of Due From Current Fund**  
**For the Year Ended December 31, 2016**

	Balance December 31, 2015
	Increased by:
	Disbursements
	Balance December 31, 2016
\$ 108,043.15	
20,263.81	
\$ 128,306.96	

**BOROUGH OF WEST WILDWOOD**  
**FEDERAL AND STATE GRANT FUND**  
Statement of Reserves for Federal, State and Other Grants - Unappropriated  
For the Year Ended December 31, 2016

<u>Grant</u>	<u>Balance</u> <u>December 31, 2015</u>	<u>Federal, State</u> <u>and Other</u> <u>Grants</u> <u>Receivable</u>	<u>Realized as</u> <u>Revenue in</u> <u>2016</u>	<u>Balance</u> <u>December 31, 2016</u>
State Grants:				
Body Armor Replacement Fund		\$ 981.19	\$ 981.19	
Clean Communitites Program		4,632.20	4,632.20	
Recycling Tonnage Grant		564.10	564.10	
Urban Enterprise Zone - Administration	\$ 16,351.10		16,351.10	
Urban Enterprise Zone - Projects	8,986.41		8,986.41	
	<u>8,986.41</u>		<u>8,986.41</u>	
Total All Grants	<u>\$ 25,337.51</u>	<u>\$ 6,177.49</u>	<u>\$ 31,515.00</u>	<u>\$ -</u>

**BOROUGH OF WEST WILDWOOD  
FEDERAL AND STATE GRANT FUND  
Statement of Reserves for Federal, State and Other Grants - Appropriated  
For the Year Ended December 31, 2016**

	Balance December 31, 2015		Transferred - 2016 Budget		Balance December 31, 2016	
	<u>Appropriated</u>	<u>Reserve for Encumbrances</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Appropriated</u>	<u>Reserve for Encumbrances</u>
Federal Grants:						
Municipal Stormwater Regulation Program	\$ 3,369.00					
Total Federal Grants	3,369.00					
State Grants:						
NJ Transportation Trust Fund Authority Act	136,453.11					
Urban Enterprise Zone - Administration	2,139.16		\$ 16,351.10	\$ 13,449.72	5,040.54	
Urban Enterprise Zone - Projects	160.00		8,986.41		9,146.41	
Clean Communities Program	8,641.87		4,632.20	10,017.50	3,256.57	
Recycling Tonnage Grant	1,397.91		564.10	502.50	1,459.51	
Body Armor Fund	1,621.35		981.19	753.00	1,849.54	
Alcohol Education and Rehabilitation Fund	53.93				53.93	
Drunk Driving Enforcement Fund	1,296.00				1,296.00	
Total State Grants	151,763.33		31,515.00	24,722.72	158,555.61	
Other Grants:						
Joint Insurance Fund	193.12				193.12	
CMCMUA Recycling Rebate Grant	5,637.35			3,590.96	2,046.39	
CMCMUA Public Area Recycling Grant	997.00			100.00	897.00	
Defibrillator Grant	55.84				55.84	
Total Other Grants	6,883.31			3690.96	3,192.35	
Total All Grants	\$ 162,015.64	\$ -	\$ 31,515.00	\$ 28,413.68	\$ 165,116.96	



**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**



**BOROUGH OF WEST WILDWOOD**  
**TRUST FUNDS**  
Statement of Trust Fund Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2016

	<u>Dog License</u>	<u>Other</u>
Balance December 31, 2015	\$ 749.06	\$ 155,894.69
Increased by Receipts:		
Reserve for Dog License Fund Expenditures	\$ 525.00	
State Registration Fees	87.00	
Due Current Fund	4.12	\$ 712.28
Reserve for Payroll Deductions Payable		982,318.09
Miscellaneous Trust Reserves:		
Unemployment Compensation Insurance		26.81
Tax Title Lien Redemption		62,773.40
Uniform Fire Safety Act Penalty Monies		430.24
Parking Offense Adjudication Act		12.00
Confiscated Funds		370.99
Planning and Zoning		1,500.00
Street Openings		2,900.00
West Wildwood American Family Festival		3,591.00
Pavers, Park Benches & Park Equipment Donations		75.00
	616.12	1,054,709.81
	1,365.18	1,210,604.50
Decreased by Disbursements:		
Reserve for Dog License Fund Expenditures	345.95	
State Registration Fees	87.00	
Due Current Fund		527.26
Reserve for Payroll Deductions Payable		979,896.11
Miscellaneous Trust Reserves:		
Tax Title Lien Redemption		57,218.66
Uniform Fire Safety Act Penalty Monies		1,740.44
Street Openings		4,366.96
West Wildwood American Family Festival		514.13
Pavers, Park Benches & Park Equipment Donations		64.00
	432.95	1,044,327.56
Balance December 31, 2016	\$ 932.23	\$ 166,276.94

**BOROUGH OF WEST WILDWOOD**  
**DOG LICENSE FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2016

	Balance December 31, 2015
	Increased by:
	Receipts--Interest Earned on Deposits
	Balance December 31, 2016
\$ 3.76	
4.12	
<u>\$ 7.88</u>	

**BOROUGH OF WEST WILDWOOD**  
**DOG LICENSE FUND**  
Statement of Reserve for Dog License Fund Expenditures  
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 745.30
Increased by:	
Receipts:	
Dog License Fees Collected	525.00
	1,270.30
Decreased by:	
Expenditures under R.S. 4:19-15.11:	
Disbursements	345.95
Balance December 31, 2016	\$ 924.35
 <u>Dog License Fees Collected:</u>	
<u>Year</u>	
2014	\$ 546.00
2015	529.80
	\$ 1,075.80

**BOROUGH OF WEST WILDWOOD**

**DOG LICENSE FUND**

Statement of Due to State of New Jersey -- Registration Fees  
For the Year Ended December 31, 2016

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		Increased by:	
		Receipts	
	\$ 87.00		
		Decreased by:	
		Disbursements	
	87.00		
	<u>\$ -</u>		Balance December 31, 2016

**BOROUGH OF WEST WILDWOOD**  
**TRUST - OTHER FUND**  
 Statement of Due to Current Fund  
 For the Year Ended December 31, 2016

	<u>Total</u>	<u>Tax Title Lien Redemption</u>	<u>Unemployment Compensation Insurance</u>	<u>Payroll Deductions Payable</u>	<u>Pavers, Park Benches, and Park Equipment</u>	<u>Planning and Zoning</u>	<u>Uniform Fire Safety Act</u>	<u>Confiscated Funds</u>	<u>Trust/Other</u>
Balance December 31, 2015	\$ 8,516.52	\$ 8,259.79	\$ (159.17)	\$ (4,647.95)	\$ 0.21	\$ 11.41	\$ 15.49	\$ 8.61	\$ 5,028.13
Decreased by:									
Disbursements:									
Interfund Loans Returned	527.26	205.40	73.53		0.77		27.84		219.72
	7,989.26	8,054.39	(232.70)	(4,647.95)	(0.56)	11.41	(12.35)	8.61	4,808.41
Increased by:									
Receipts:									
Interest Earned on Deposits	712.28	236.24	53.54	152.40	0.84	8.47	20.03		240.76
Balance December 31, 2016	\$ 8,701.54	\$ 8,290.63	\$ (179.16)	\$ (4,495.55)	\$ 0.28	\$ 19.88	\$ 7.68	\$ 8.61	\$ 5,049.17

**BOROUGH OF WEST WILDWOOD**  
**TRUST - OTHER FUND**  
 Statement of Reserve for Payroll Deductions Payable  
 For the Year Ended December 31, 2016

	Balance December 31, 2015
\$ 11,253.01	Increased by:
982,318.09	Receipts
993,571.10	Decreased by:
979,896.11	Disbursements
\$ 13,674.99	Balance December 31, 2016



**BOROUGH OF WEST WILDWOOD**  
**TRUST - OTHER FUND**  
Statement of Miscellaneous Trust Reserves  
For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	Increased by <u>Receipts</u>	Decreased by <u>Disbursements</u>	Balance <u>Dec. 31, 2016</u>
Unemployment Compensation Insurance	\$ 20,207.22	\$ 26.81		\$ 20,234.03
Tax Title Lien Redemption	41,529.63	62,773.40	\$ 57,218.66	47,084.37
Uniform Fire Safety Act Penalty Monies	7,646.82	430.24	1,740.44	6,336.62
Parking Offense Adjudication Act	26.00	12.00		38.00
Planning and Zoning	3,340.23	1,500.00		4,840.23
Confiscated Funds	2,165.02	370.99		2,536.01
Accumulated Absences	40,250.00			40,250.00
Street Openings	3,052.82	2,900.00	4,366.96	1,585.86
West Wildwood American Family Festival	5,985.24	3,591.00	514.13	9,062.11
Pavers, Park Benches & Park Equipment Donations	11,922.18	75.00	64.00	11,933.18
	<u>\$ 136,125.16</u>	<u>\$ 71,679.44</u>	<u>\$ 63,904.19</u>	<u>\$ 143,900.41</u>



**SUPPLEMENTAL EXHIBITS**  
**GENERAL CAPITAL FUND**



**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash  
Per N.J.S. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 1,710,903.79
Increased by Receipts:		
Deferred Charge to Future Taxation - Unfunded	\$ 280,348.16	
Premium Collected on Bond Anticipation Note	8,223.98	
Bond Anticipation Notes	3,194,043.00	
		3,482,615.14
		5,193,518.93
Decreased by Disbursements:		
Due Current Fund	279,479.08	
Current Fund Anticipated Revenue - Reserve for Payment of Debt	90,651.73	
Improvement Authorizations	614,828.42	
Bond Anticipation Notes	1,859,043.00	
		2,844,002.23
Balance December 31, 2016		\$ 2,349,516.70

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2016

	Receipts				Disbursements				Transfers		Balance December 31, 2016
	Balance December 31, 2015	Miscellaneous	Bond Anticipation Notes	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To			
Due Current Fund											
Capital Improvement Fund	\$ (19,406.75)					\$ 279,479.08				\$ (298,885.83)	
Cash Pledged to Payment of Bond Anticipation Notes	77,662.00									47,662.00	
Reserve for Payment of Debt	90,651.73	\$ 280,348.16				90,651.73				280,348.16	
Reserve for Encumbrances	93,345.19								93,345.19		
Fund Balance	4,062.89										
Note Renewals			8,223.98		\$ 1,859,043.00					12,286.87	
Ordinance											
Improvement Authorizations:											
Number											
450	Various Road Improvements		191.00							191.00	
475, 499	Various Capital Improvements		20,630.17							20,630.17	
482	Improvements to Bay Avenue and Other Streets		52,806.30							52,806.30	
497	Various Improvements to the 26th Street Bulkhead		704,437.92							704,437.92	
512	Various Capital Improvements		288,921.94		\$ 79,795.29			\$ 79,795.29		288,921.94	
522	Various Capital Improvements		223,674.55		47,203.00					176,471.55	
539	Various Capital Improvements		173,926.85		138,041.14					49,435.61	
546	Reconstruction and Repairing of Various Streets			765,000.00	69,736.91					695,263.09	
549	Renovations of Various Bulkheads			570,000.00	280,052.08				30,000.00	319,947.92	
		\$ 1,710,903.79	\$ 288,572.14	\$ 3,194,043.00	\$ 614,828.42	\$ 1,859,043.00	\$ 370,130.81	\$ 123,345.19	\$ 123,345.19	\$ 2,349,516.70	

**BOROUGH OF WEST WILDWOOD**  
GENERAL CAPITAL FUND  
Statement of Deferred Charges to Future Taxation - Funded  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 1,665,000.00
Decreased by:	
Budget Appropriation to Pay Serial Bonds	<u>150,000.00</u>
Balance December 31, 2016	<u>\$ 1,515,000.00</u>

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Deferred Charges to Future Taxation -- Unfunded  
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance December 31, 2015	Increased by		Decreased by		Balance December 31, 2016	Analysis of Balance December 31, 2016	
			2016 Authorizations	Other Financing Sources	Notes Paid by Budget Appropriation	Bond Anticipation Notes		Expenditures	Unexpended Improvement Authorizations
General Improvements:									
475, 499	Various Capital Improvements	\$ 24.00					\$ 24.00		\$ 24.00
482	Improvements to Bayonne Avenue and Other Streets	472.00				472.00			472.00
497	Various Improvements to the 28th Street Bulkhead	752.00				752.00			752.00
512	Various Capital Improvements	988,726.00		\$ 280,348.16	\$ 39,933.00	668,444.84	\$ 668,444.84		
522	Various Capital Improvements	470,250.00				470,250.00	470,250.00		
539	Various Capital Improvements	440,000.00				440,000.00	440,000.00		
546	Reconstruction and Repairing of Various Streets	765,000.00				765,000.00	765,000.00		
549	Renovations of Various Bulkheads		\$ 570,000.00			570,000.00	570,000.00		
FEMA Hazard Mitigation Grant									
Bond Anticipation Notes (Exh. SC-7)		\$ 2,665,224.00	\$ 570,000.00	\$ 280,348.16	\$ 39,933.00	\$ 2,914,942.84	\$ 2,913,694.84	\$ 3,194,043.00	\$ -
Less: Excess Cash Pledged to the Payment of Notes								280,348.16	
Improvement Authorizations - Unfunded								\$ 2,913,694.84	
Less:									\$ 1,531,288.11
Unexpended proceeds of Bond Anticipation Notes:									
	Ordinance - 512							\$ 288,921.94	
	Ordinance - 522							176,471.55	
	Ordinance - 539							49,435.61	
	Ordinance - 546							695,263.09	
	Ordinance - 549							319,947.92	
								1,530,040.11	
								\$ 1,248.00	



**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Due from Current Fund  
 For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 19,406.75
Increased by:	
Disbursements	<u>279,479.08</u>
Balance December 31, 2016	<u><u>\$ 298,885.83</u></u>

Exhibit SC-6

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Reserve for Payment of Debt  
 For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 90,651.73
Decreased by:	
Current Fund Anticipated Revenue - Reserve for Payment of Bonds	<u><u>\$ 90,651.73</u></u>

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Improvement Authorizations  
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Descriptions	Date	Ordinance Amount	Balance December 31, 2015		2016 Authorizations		Transfer from Reserve for Encumbrances	Paid or Charged	Balance December 31, 2016	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation Unfunded			Funded	Unfunded
450	Various Road Improvements	5/24/05	\$ 560,000.00	\$ 191.00						\$ 191.00	
475, 499	Various Capital Improvements	2/1/08 6/11/10	316,000.00	20,630.17	\$ 24.00					20,630.17	\$ 24.00
482	Improvements to Bay Avenue and Other Streets	4/2/08	300,000.00	52,806.30	472.00					52,806.30	472.00
497	Various Improvements to the 26th Street Bulkhead	10/2/09	1,850,000.00	704,437.92	752.00					704,437.92	752.00
512	Various Capital Improvements	11/18/11	1,040,764.00		288,921.94			\$ 79,795.29	\$ 79,795.29		288,921.94
522	Various Capital Improvements	5/20/13	495,000.00		223,674.55				47,203.00		176,471.55
539	Various Capital Improvements	3/6/15	450,000.00		173,926.85			13,549.90	138,041.14		49,435.61
546	Reconstruction and Repairing of Various Streets	10/2/15	765,000.00		765,000.00				69,736.91		695,263.09
549	Renovations of Various Bulkheads	2/24/16	600,000.00			\$ 30,000.00	\$ 570,000.00		280,052.08		319,947.92
				<u>\$ 778,065.39</u>	<u>\$ 1,452,771.34</u>	<u>\$ 30,000.00</u>	<u>\$ 570,000.00</u>	<u>\$ 93,345.19</u>	<u>\$ 614,828.42</u>	<u>\$ 778,065.39</u>	<u>\$ 1,531,288.11</u>
Disbursements									<u>\$ 614,828.42</u>		

**BOROUGH OF WEST WILDWOOD**  
GENERAL CAPITAL FUND  
Statement of Capital Improvement Fund  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 77,662.00
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>30,000.00</u>
Balance December 31, 2016	<u><u>\$ 47,662.00</u></u>

**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of General Serial Bonds  
 For the Year Ended December 31, 2016

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2016</u>		<u>Rate</u>	<u>Balance December 31, 2015</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
General Obligation Bonds	2/6/2014	\$ 1,765,000.00	2/1/2017	\$ 175,000.00	2.00%			
			2/1/2018	175,000.00	2.50%			
			2/1/2019	180,000.00	2.50%			
			2/1/2020	185,000.00	3.00%			
			2/1/2021-24	200,000.00	3.00%			
						<u>\$ 1,665,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 1,515,000.00</u>



**BOROUGH OF WEST WILDWOOD**  
**GENERAL CAPITAL FUND**  
 Statement of Bonds and Notes Authorized but not Issued  
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance December 31, 2015		2016 Authorizations		Notes Issued		Balance December 31, 2016
		Balance	December 31, 2015	Increased by	Decreased by	Notes Issued	Decreased by	
<b>General Improvements:</b>								
475, 499	Various Capital Improvements	\$	24.00					\$ 24.00
482	Improvements to Bay Avenue and Other Streets		472.00					472.00
497	Various Improvements to the 26th Street Bulkhead		752.00					752.00
546	Reconstruction and Repaving of Various Streets		765,000.00			\$	765,000.00	
549	Renovations of Various Bulkheads		\$ 570,000.00				570,000.00	
		\$	766,248.00	\$	570,000.00	\$	1,335,000.00	\$ 1,248.00

**SUPPLEMENTAL EXHIBITS**  
**WATER / SEWER UTILITY FUND**





**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY FUND**  
Statement of Water / Sewer Utility Cash  
Per N.J.S.A. 40A:5-5 -- Treasurer  
For the Year Ended December 31, 2016

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2015	\$ 169,279.40	\$ 23,417.98
Increased by Receipts:		
Due Water Sewer Utility Operating Fund		\$ 93.83
Due Water Sewer Utility Capital Fund	\$ 85.87	
Collector	555,884.29	
Interest Earned on Deposits and Investments	<u>1,326.37</u>	
	<u>557,296.53</u>	<u>93.83</u>
	726,575.93	23,511.81
Decreased by Disbursements:		
Due Water Sewer Utility Operating Fund		85.87
2016 Appropriations	496,228.33	
2015 Appropriation Reserves	600.00	
Accrued Interest on Bonds and Notes	<u>52,078.30</u>	
	<u>548,906.63</u>	<u>85.87</u>
Balance December 31, 2016	<u><u>\$ 177,669.30</u></u>	<u><u>\$ 23,425.94</u></u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Water / Sewer Utility Cash  
 Per N.J.S.A. 40A:5-5 Collector  
 For the Year Ended December 31, 2016

<hr/>		Receipts:	
	\$ 515,677.02	Sewer Consumer Accounts Receivable	
	33,599.35	Prepaid Sewer Rents	
		Miscellaneous Revenue:	
	6,607.92	Interest and Costs on Delinquent Rents	
		Decreased by:	
		Payments to Treasurer	
	<hr/>		
	\$ 555,884.29		
	<hr/>		
	\$ 555,884.29		

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Analysis of Water / Sewer Utility Capital Cash  
 For the Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	<u>Receipts</u> Miscellaneous	<u>Disbursements</u> Miscellaneous	Balance <u>Dec. 31, 2016</u>
Due Water / Sewer Utility Operating Fund	\$ 7.98	\$ 93.83	\$ 85.87	\$ 15.94
Capital Improvement Fund	16,000.00			16,000.00
Fund Balance	<u>7,410.00</u>			<u>7,410.00</u>
	<u>\$ 23,417.98</u>	<u>\$ 93.83</u>	<u>\$ 85.87</u>	<u>\$ 23,425.94</u>

\$ 57,208.48				Balance December 31, 2016
553,515.76				Decreased by:
	4,633.73			Overpayments -- Applied
	33,205.01			Prepaid Rents -- Applied
	\$ 515,677.02			Receipts -- Collector
				Increased by:
				Sewer Rents Levied
				Balance December 31, 2015
610,724.24				
566,252.99				
\$ 44,471.25				

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Sewer Consumer Accounts Receivable  
 For the Year Ended December 31, 2016

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Statement of Fixed Capital  
 For the Year Ended December 31, 2016

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<u>Description</u>	Balance <u>Dec. 31, 2015</u>	<u>Additions</u> 2016 Budget <u>Appropriation</u>	Balance <u>Dec. 31, 2016</u>
General Improvements	\$ 4,094,543.59	\$ 10,800.79	\$ 4,105,344.38

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Appropriation Reserves  
 For the Year Ended December 31, 2016

	Balance December 31, 2015	Balance After Modification	Disbursed	Lapsed
Operating: Salary and Wages	\$ 68.59	\$ 68.59	\$ 600.00	\$ 68.59
Other Expenses	45,696.05	45,696.05	600.00	45,096.05
Total Operating	45,764.64	45,764.64	600.00	45,164.64
Capital Improvements: Equipment Purchase	1,199.21	1,199.21		1,199.21
	\$ -	\$ 46,963.85	\$ 600.00	\$ 46,363.85

**BOROUGH OF WEST WILDWOOD**  
WATER / SEWER UTILITY OPERATING FUND  
Statement of Sewer Rent Overpayments  
For the Year Ended December 31, 2016

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Balance December 31, 2015	\$ 4,633.73
Decreased by:	
Application to Sewer Rents Receivable	<u>\$ 4,633.73</u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
 Statement of Prepaid Sewer Rents  
 For the Year Ended December 31, 2016

	Balance December 31, 2015
\$ 33,205.01	Increased by:
33,599.35	Receipts -- Collector
66,804.36	Decreased by:
33,205.01	Prepayments Applied
<u>\$ 33,599.35</u>	Balance December 31, 2016



**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY OPERATING FUND**  
**Statement of Accrued Interest on Bonds and Notes**  
**For the Year Ended December 31, 2016**

Balance December 31, 2015						\$ 18,691.63
Increased by:						
Budget Appropriation						51,422.54
						70,114.17
Decreased by:						
Interest Paid:						
Disbursed						52,078.30
Balance December 31, 2016						\$ 18,035.87
Principal						
Outstanding						
<u>December 31, 2016</u>	<u>Interest</u>		<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
	<u>Rate</u>				<u>(Days)</u>	
Serial Bonds:						
1992 Issue:						
\$ 371,119.57	5.625%		9/8/2016	12/31/2016	114	\$ 6,520.01
1994 Issue:						
662,456.84	4.500%		8/12/2016	12/31/2016	141	11,515.86
						\$ 18,035.87

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Statement of Due To Water / Sewer Utility Operating Fund  
 For the Year Ended December 31, 2016

	Balance December 31, 2015
	\$ 7.98
	Increased by:
	Receipts --
	Interest Earned on Deposits
	93.83
	101.81
	Decreased by:
	Disbursements -- Interfunds Liquidated
	85.87
	Balance December 31, 2016
	\$ 15.94

Exhibit SD-11

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Schedule of Capital Improvement Fund  
 As of December 31, 2016

	Balance December 31, 2016
	\$ 16,000.00

**BOROUGH OF WEST WILDWOOD**  
WATER / SEWER UTILITY CAPITAL FUND  
Statement of Reserve for Amortization  
For the Year Ended December 31, 2016

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Balance December 31, 2015		\$ 3,023,393.48
Increased by:		
2016 Utility Budget Appropriation:		
Equipment Purchase	\$ 10,800.79	
Serial Bonds Paid by:		
Budget Appropriation	<u>37,573.70</u>	
		<u>48,374.49</u>
Balance December 31, 2016		<u><u>\$ 3,071,767.97</u></u>

**BOROUGH OF WEST WILDWOOD**  
**WATER / SEWER UTILITY CAPITAL FUND**  
 Statement of Waste and Water Disposal Systems for Rural Communities Serial Bonds  
 For the Year Ended December 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
			Outstanding Dec. 31, 2016	Amount				
General Obligation Bond	9/17/1992	\$ 562,600.00	3/8/2017	\$ 7,318.26				
			9/8/2017	7,524.09				
			3/8/2018	7,735.70				
			9/8/2018	7,953.27				
			3/8/2019	8,176.96				
			9/8/2019	8,406.93				
			3/8/2020	8,643.38				
			9/8/2020	8,886.47				
			2021 to 2032	306,474.51	5.625%	\$ 385,160.99	\$ 14,041.42	\$ 371,119.57
General Obligation Bond	8/12/1994	1,000,000.00	2/12/2017	12,164.72				
			8/12/2017	12,438.43				
			2/12/2018	12,718.29				
			8/12/2018	13,004.45				
			2/12/2019	13,297.05				
			8/12/2019	13,596.24				
			2/12/2020	13,902.15				
			8/12/2020	14,214.95				
			2021 to 2034	557,120.56	4.500%	685,989.12	23,532.28	662,456.84
						<u>\$ 1,071,150.11</u>	<u>\$ 37,573.70</u>	<u>\$ 1,033,576.41</u>
							<u>\$ 37,573.70</u>	

2016 Budget Appropriation

**PART II**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**



**BOROUGH OF WEST WILDWOOD**  
Schedule of Findings and Recommendations  
For the Year Ended December 31, 2016

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

None.

**BOROUGH OF WEST WILDWOOD**  
Summary Schedule of Prior Year Audit Findings  
and Recommendations as Prepared by Management

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This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**FINANCIAL STATEMENT FINDINGS**

None.



**BOROUGH OF WEST WILDWOOD**  
 Officials in Office and Surety Bonds

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The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bonds</u>
Christopher Fox	Mayor	(A)
Scott Golden	Commissioner	(A)
Cornelius Maxwell	Commissioner	(A)
Christopher Ridings	Administrator	(A)
Donna Frederick	Municipal Clerk/Registrar of Vital Statistics	(A)
Carl O'Hala	Deputy Clerk	(A)
Neil Young	Chief Financial Officer until December 1, 2016;	(A)
	Deputy Chief Financial Officer from December 1, 2016	(A)
Elaine Crowley	Chief Financial Officer from December 1, 2016;	(A)
	Deputy Chief Financial Officer until December 1, 2016	(A)
Terence Graff	Tax/Utility Collector	(A)
Ruth Sweeney	Deputy Tax Collector	(A)
Louise Pellegrino	Administrative Assistant	(A)
Dorothy M. Incarvito-Garrabrant	Judge of the Municipal Court	(A)
Tammi LoMonaco	Court Administrator	(A)
Andrew Cafiero	Solicitor	(A)
Joseph M. Gallagher	Tax Assessor	(A)

(A) These officials were covered by the Atlantic County Joint Insurance Fund for \$50,000.00. Amount in excess of the \$50,000.00 are covered under the Municipal Excess Liability Joint Insurance Fund to \$950,000.00 less the amount of individual bond coverage where applicable.

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Borough officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Scott P. Barron  
Certified Public Accountant  
Registered Municipal Accountant